Allnet Communication Services, Inc. Public Policy and Government Affairs 1990 M Street, NW Suite 500 Washington, D.C. 20036 (202) 293-0593 (202) 833-9576 (FAX)



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Roy L. Morris Director, and Regulatory Counsel

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Main Offices: 30300 Telegraph Road Bingham Farms, Michigan 48025-4510

January 3, 1995

Mr. Caton Secretary Federal Communications Commission 1919 M Street, NW Mail Stop 1600G Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re:

Ex Parte,

800 Database System, CC Docket No. 86-10

Investigation of 800 Database Access Tariffs, CC Docket No.

92-237

Dear Mr. Caton:

Attached please find a letter to Ms. Schlichting and Philips of the Common Carrier Bureau regarding the above captioned proceedings.

Sincerely,

Roy L. Morris

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FEDERAL COMMUNICATIONS COMMISSION
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Main Offices: 30300 Telegraph Road Bingham Farms, Michigan 48025-4510

January 3, 1995

Mr. James Schlichting
Mr. Gary Phillips
Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW Mail Stop 1600G
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: 800 Database System, CC Docket No. 86-10

Investigation of 800 Database Access Tariffs, CC Docket No. 92-237

Dear Mr. Schlichting and Phillips:

Based on recent correspondence and other information that has recently come to light, it appears that there is substantial impropriety in the selection process for who will operate the 800 database in the future. The FCC must immediately, and without further delay, use its extensive discovery powers to investigate this matter before it progresses any further. This matter appears to have gone beyond simply a matter of a threat to ratepayers and competition. It is our understanding that Bellcore has invoked the use of the legal process to silence interested parties who might challenge or otherwise threaten their ability (or an owner RBOC's ability) to bid and win the very contract that is at issue here. Among the measures that we understand Bellcore has taken is the inclusion of a clause in the bidders agreement that disqualifies a bidder if it challenges the bidding process or Bellcore's authority. In addition, Bellcore has brought suit in New Jersey against one former Bellcore consultant who played a role in the database's design, a Mike Griffing, seeking to enjoin this person from further participation in the industry and from seeking corrections to flaws in Bellcore's implementation of the database design. Mr. Griffing had been attempting to organize an industry conference for various parties to discuss

the major issues facing 800 database today. Bellcore apparently wrote to the sponsor of the conference and had the conference shut down.

The Commission has worked very hard to achieve a balance of fairness. quality, and efficiency under the 800 database regime. Allnet shares that goal. In furtherance of that goal, Allnet and other industry members have, over the years, had significant concerns about flawed infrastructures within the 800 database regime. Some of the major flaws were, and continue to be, Bellcore's role with the 800 database system, Southwestern Bell's role in providing and running the 800 database facilities, and the charge back arrangement between Bellcore and Southwestern Bell that allows for a sweetheart relationship -- resulting in excessive and unreasonable charges for 800 database services. The rates that result from this sham arrangement are passed onto consumers in terms of higher 800 rates. The poor designs that these arrangements promote result in lower quality service than that which would have otherwise occurred under an open competitive selection basis, rather than the processes chosen and designed by Bellcore -- a party who only answers to the seven RBOCs. Lest we forget that the RBOCs are not the only local exchange carriers in the industry, there are independent telephone companies and others, particularly in light of the recent Commission activities seeking to open up local competition. However, Bellcore -- at the direction of its owners -- continues to act as if the RBOCs are the only LECs in the industry.

Now, the role that Southwestern Bell possesses is up for bid. A number of letters from interested parties have pointed out the improprieties that have arisen in the selection process. See, e.g., Letter of Russell Blau, MFS Counsel, dated October 6, 1994, Letter of Paul Walters, SWBT, dated November 7, 1994, Letter of Richard J. Metzger, Counsel for ALTs, dated November 10, 1994, Letter of Russell Blau, MFS Counsel, dated November 17, 1994. Southwestern Bell cited to a so-called "survey" as evidence of user acceptance of the status quo. However, that survey was a sham. Allnet, and most likely many others, did not respond to the survey because it sought proprietary information. A copy of that survey is attached. It is beyond comprehension how that survey could be cited to as meaningful evidence that there is no concern about bias.

The bottom line is that Bellcore, a wholly owned subsidiary of the seven Regional Bell Operating Companies, not only has a conflict of interest, it appears to have pulled whatever strings it can to prevent a fair and open bidding process. Thus, Allnet supports the calls of the many parties for the Commission to fully investigate this process and subpena individuals at Bellcore who have participated in the process¹

Sincerely,

Roy L. Morris

¹The names of the Bellcore employees who we understand have been actively involved in these processes and prosecutions are Michael Wade and Leonard Charles Suchyta.

Exhibit I

800 Database User's Survey

Nofan, Norton & Co.

SMS/800 Database Service

User Questionnaire

July 29, 1994

Background

- The Bell Operating Companies (BOCs) will conduct a competitive Request for Proposal (RFP) bid process to determine the future provider of hardware and operations for the SMS/800 computer database system
- The future provider will become responsible for SMS/800 processing services by July 1, 1996
- The BOCs' objectives regarding the RFP process to provide SMS/800 processing services are to:
 - -provide all SMS/800 information processing services required by their SMS/800 customers
 - -operate at a lower cost than other available alternatives throughout the term of any proposed contract
 - -obtain current or better service quality levels for their customers
 - -retain the cost effective flexibility to adopt new technologies which offer business benefits in a timely manner
- Nolan, Norton & Co. (NNC), a Boston-based information technology consulting firm, has been engaged to administer the RFP process

The role of SMS/800 users

- NNC is asking the SMS/800 users for information regarding current and future service needs and expectations. This information will assist NNC's development of the RFP and help secure the best possible service and price
- The questionnaire that follows focuses on such areas as availability, contingency planning, terminal and/or MGI access, data center help desk, security, print services, SMS/800 growth, and transition concerns. Since you will be asked to compare SMS/800 service levels with any internal "SMS/800-like" systems, you may need to obtain input from your data processing organization (if applicable)
- Based upon your response, further insight may be requested through telephone interviews and/or by requesting your participation at a focus group session
- All responses will be kept strictly confidential within NNC, DSMI, and the SMS/800 Management Team

Directions

- Please complete the questionnaire that follows answering all questions as completely as possible
- Return the questionnaire to Nolan, Norton & Co. in the envelope provided
- Questions may be directed to Sue Landry at 1-800-535-7552 extension 630 between the hours of 9 a.m. and 5 p.m. EDT

Please return the questionnaire to Nolan, Norton & Co. by August 19, 1994

SMS/800 user demographics

• Name:		
• Title:		
• SMS/800 Role:		
Company:	· · · · · · · · · · · · · · · · · · ·	
• Telephone:		
• Fax:		
May we contact you regarding your response?	Yes	□ No

SMS/800 availability

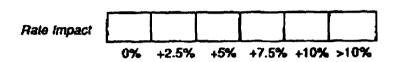
Large computer database systems such as the SMS/800 require regular periods of downtime for such maintenance activities as database reorganizations, installations of new application software features, computer hardware upgrades, etc. Current availability objectives call for most SMS/800 scheduled downtime to be targeted for non-business hours. Occasionally, as with the installation of major software releases, the SMS/800 is unavailable during Saturday business hours. Business hours are 6AM-9PM, Monday-Friday, and 6AM-6PM Saturdays, excluding holidays; all times are CST/CDT.

Considering your own company's internal systems supporting "SMS/800-like" services (if applicable), what is your:			Bus	siness H	ours	
Satisfaction with SMS/800 availability during business hours?	Availability					
		Excellent	Good	Fair	Poor	No
			Non-	Business	Hours	Opinion
Satisfaction with SMS/800 availability during non-business	Availability					
hours?		Excellent	Good	Fair	Poor	No Opinion

If you picked "Fair" or "Poor" in the above categories, please describe.

SMS/800 availability (continued)

Recognizing that increased availability may increase the cost of the SMS/800 system, what would you expect the impact on your current SMS/800 rates to be if higher system availability was provided?



Should SMS/800's availability objectives be different than those for internal "SMS/800-like" systems? Please describe.

Have you experienced any adverse effects with current system availability? Please describe.

SMS/800 emergency backup power

The existing SMS/800 data center does not have emergency backup power. In the event of a commercial power failure, the SMS/800 system would be unavailable until commercial power was restored. SMS/800 users have stated that emergency power backup is a requirement which needs to be included in the RFP. How important to you is the requirement for Backup Power emergency backup power? Some-Highly Not No Very what Critical Critical Critical Opinion Critical Recognizing that emergency backup power may increase the cost of the SMS/800 system. Rate Impact what would you expect the impact on your

Have you experienced any adverse effects from the lack of emergency backup power? Please describe.

current SMS/800 rates to be if emergency

backup power was provided?

+5% +7.5% +10% >10%

SMS/800 disaster recovery

Recovery

Current disaster recovery objectives call for the switching to a disaster recovery site to be accomplished within 6 hours once a disaster is declared.

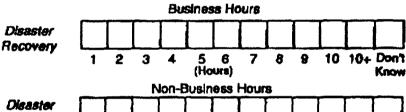
Considering your own company's internal systems supporting "SMS/800-like" services (if applicable), what is your:

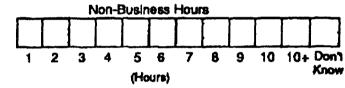
Desired SMS/800 disaster recovery objective during business hours?

Desired SMS/800 disaster recovery objective during non-business hours?

Recognizing that shortened disaster recovery times may increase the cost of the SMS/800 system, what would you expect the impact on your current SMS/800 rates to be if shorter recovery time was provided?

Have you experienced any adverse effects with the current disaster recovery time objective? Please describe.







Protection from SMS/800 data loss

Current data recovery objectives call for a maximum of four (4) hours loss of data as a result of a disaster occurrence or other contingencies. With the installation of Release 6.1 in September, the data loss exposure for Number Administration will be almost negligible.

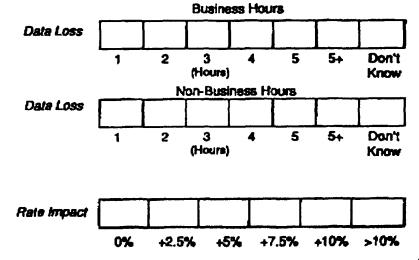
Considering your own company's internal systems supporting "SMS/800-like" services (If applicable), what is your:

Desired SMS/800 data recovery objective during business hours?

Desired SMS/800 data recovery objective during non-business hours?

Recognizing that reducing data loss may increase the cost of the SMS/800 computer system, what would you expect the impact on your current SMS/800 rates to be if reduced data loss was provided?

Have you experienced any adverse effects with the current data loss objective? Please describe.



SMS/800 online access arrangements

/hat is your satisfaction with SMS/800 dedicated	Dedicated]	
ccess arrangements?	Access	Excellent	Good	Fair	Poor	No Opfnior
M . 4.1	Dial-up				1	1
hat is your satistaction with SMS/800 dial-up coss arrangements?	Access	Excellent	Good	Fair	Poor	Na Opinion
o you have any suggestions for Improving the rangements for SMS/800 online access? Please ascribe.						

Response time for SMS/800 online access

Current response time objectives for online access call for most response times to be between two (2) and four (4) seconds, on average. Special SMS/800 transactions such as Deficient Customer Record reports may have greater response times.

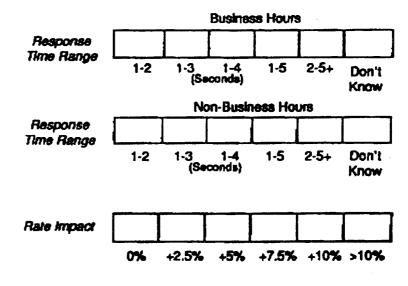
Considering your own company's internal systems supporting "SMS/800-like" services (if applicable), what is your:

Desired SMS/800 response time objective for online access during business hours?

Desired SMS/800 response time objective for online access during non-business hours?

Recognizing that faster response times may increase the cost of the SMS/800 computer system, what would you expect the impact on your current rates to be if faster response times for online access were provided?

Have you experienced any adverse effects with the current response time objective for online access? Please describe.



SMS/800 Mechanized Generic Interface access (if applicable)

Current response time objectives for Mechanized Generic Interface (MGI) call for most response times to be between two (2) and five (5) seconds, on average.

Considering your own company's internal systems supporting "SMS/800-like" services, what is your:

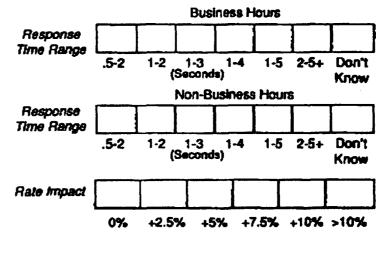
Desired response time objective for MGI access during business hours?

Desired response time objective for MGI access during non-business hours?

Recognizing that faster response times may increase the cost of the SMS/800 computer system, what would you expect the impact on your current rates to be if faster response times for MGI access were provided?

Have you experienced any adverse effects with the current response time objective for MGI access? Please describe.

What is your satisfaction with MGI testing arrangements? Please describe any suggestions.



Testing
Arrangements
Excellent Good Fair Poor

Opinion

SMS/800 help desk at the Kansas City Data Center (KCDC)

low would you rate the overall service you receive	Help Desk					
om SMS/800 help desk operations at the KCDC?		Excellent	Good	Fair	Poor	No Opinion
That aspects of the help desk function, if any, o you feel need improvement? Please describe.	improvement Areas		Timeliness of Respons			luality of lesponse
•			Busy/Wait Time		°	Courtesy
			Other			

SMS/800 security requirements

Considering the security practices of your internal "SMS/800-like" computer systems (if applicable), how would you rate the SMS/800 security practices in protecting against unauthorized system access?	Security Pr <u>a</u> ctices	Excellent	Good	Fair	Poor	No Opinior
At present, "smart cards" (e.g., SecuriD cards) are required only for dial-up access. Do you believe that "smart card" security protection should be extended to dedicated terminal access?			Yes		N	•
Where do you believe improvements, if any, should be made? Please describe.	improvement Areas		Ease of U		Le Sn	vels rart
			Other —			

SMS/800 service volume projections

In order to provide bidders with SMS/800 growth projections, please provide an estimate of your SMS/800 service growth in terms of transactions and customer records over the next six years. Annual Transactions **Customer Records** Growth 1995 Check the appropriate annual growth rate for -20 -10 0 10 20 30 40 40+ -20 -10 0 10 20 30 40 40 each year indicated. Percentage Percentage Please describe the reasoning behind your 1998 projections. -20 -10 0 10 20 30 40 40+ -20 -10 0 10 20 30 40 40+ Percentage Percentage 1997 -20 -10 0 10 20 30 40 40+ -20 -10 0 10 20 30 40 40+ Percentage Percentage 1998 -20 -10 0 10 20 30 40 40+ -20 -10 0 10 20 30 40 40+ Percentage Percentage 1999 -20 -10 0 10 20 30 40 40+ -20 -10 0 10 20 30 40 40+ Percentage Percentage 2000 0 10 20 30 40 -20 -10 0 10 20 30 40 40+ Percentage Percentage

Note: Growth estimates for transactions and customer records for Individual responsible organizations will be kept strictly confidential within NNC, DSMI, and the SMS/800 Management Team

SMS/800 print requirements

io you currently receive any printed output from the KCDC (other the ling information) as a result of your usage of SMS/800?	an monthly		`	/es		No
so, please describe the nature and volume of the printed output:						,
Report Name	F	Pages/Mo	onth (i	if ava	ilable)
	Report					
musuald any note the timeliness of Ot 10 (800 as so it delives if	Delivery					L
ow would you rate the timeliness of SMS/800 report delivery?		Excellent	Good	Fair	Poor	No Opinion
o you prefer another method of receiving the same information? Pla	ease describe) .				
o you have any areas of concern with SMS/800 print services? Plea	ase describe.					

SMS/800 transition concerns

The SMS/800 data center operatio you have relative to:	ns contract will be up for renewal in mid-1996. What concerns do
A change in service provider?	
A change in service locations?	
Other changes in operational practic	es, procedures, and costs?
Any other concerns?	
ary other concerns;	

Thank you!

We appreciate the time you have taken to complete this questionnaire.

Nolan, Norton & Co. One Boston Place Boston, MA 02108

Attn: SMS/800 RFP Coordinator